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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/091,412	03/05/2002	Jeffrey G. Tarrant	10727-004	8890

20583 7590 03/21/2005

JONES DAY  
222 EAST 41ST ST  
NEW YORK, NY 10017

EXAMINER
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BASHORE, ALAIN L

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 03/21/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

10/091,412

Applicant(s)

TARRANT, JEFFREY G.

Examiner

Alain L. Bashore

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 09 June 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-48 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-48 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date 6-9-04.
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

## DETAILED ACTION

### ***Claim Rejections - 35 USC § 101***

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 1-48 are rejected under 35 U.S.C. 101 as non-statutory because the method claims as presented do not claim a technological basis. Without a claimed basis, the claims are interpreted as involving no more than a manipulation outside of a technological art and therefore non-statutory under 35 U.S.C. 101.

In contrast, a method claim that includes in the preamble and body of the claim structural / functional interrelationships that are solely by computer (and non-trivial) are considered to have a technological basis and thus within the technological arts [See *Ex parte Bowman*, 61 USPQ2d 1669, 1671 (Bd. Pat. App. & Inter. 2001) – used only for content and reasoning since not precedential].

Claims which are broad enough to read on statutory subject matter and on nonstatutory subject matter are considered nonstatutory [see *In re Lintner*, 458 F.2d 1013, 1015, 173 USPQ 560, 562 (CCPA 1972)].

3. Claims 17-32 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter of a computer program.

A computer program must be claimed as a computer-readable medium encoded with a data structure. There must be positively recited in the body of the claim at least one recitation defining structural and functional interrelationships between the data structure and the computer software and hardware components (a useful, concrete and tangible result produced). This permits the data structure's functionality to be realized, as more than a manipulation of an abstract idea [*In re Wamerdam*, 33 F.3d 1354; 31 USPQ2d 1754 (Fed. Cir. 1994)].

***Claim Rejections - 35 USC § 103***

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1-11, 14-15, 17-31, 33-47 are rejected under 35 U.S.C. 103(a) as being unpatentable over Alcay et al in view of article entitled "Benchmarks of Hedge Funds Performance: Information Content and Measurement Biases" (Fung et al).

Alcay et al discloses a method of creating and managing an index fund based on the index of funds of hedge funds. Potential funds and potential funds that meet criteria identified and an index is created by indexing funds identified as meeting the criteria (para 0086-0091). A portfolio is created of the funds in the index and capital is allocated

to funds in the portfolio (para 0092-0102). Negotiation fee discounts is disclosed (para 0023).

Alcaly does not disclose:

the specific criteria selected so as to minimize biases;

biases minimized comprise: selection bias, survivorship bias;

potential funds are identified by searching available commercial

databases;

specific criteria comprise: fund size, fund track record, length of fund

history; and,

further comprising rebalancing the portfolio periodically.

Fung et al discloses the specific criteria selected so as to minimize biases (p 1, para 1-2), selection bias (p 3, para 7-8), survivorship bias (p 2, para 6), potential funds are identified by searching available commercial databases (p 1, para 6), fund size criteria (p 3, para 4), fund track record and fund history criteria (p 4, para 4), rebalancing the portfolio periodically (p 3, lines 6).

It would have been obvious to one with ordinary skill in the art to include specific criteria selected so as to minimize biases because Fung et al teaches data used to evaluate hedge funds inherently has bias that requires consideration (p1, para 2).

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It would have been obvious to one with ordinary skill in the art to include selection bias because Fung et al teaches selection bias is an important consideration (p 3, para 7-8).

It would have been obvious to one with ordinary skill in the art to include survivorship bias because Fung et al teaches survivorship bias is an important consideration (p 2, para 6).

It would have been obvious to one with ordinary skill in the art to include potential funds are identified by searching available commercial databases because Fung et al teaches improvement and importance of gathering data (p 1, para 6).

It would have been obvious to one with ordinary skill in the art to include fund size criteria because Fung et al teaches size results in certain characteristics of importance in consideration funds (p 3, para 4).

It would have been obvious to one with ordinary skill in the art to include fund track record and length of fund history criteria because Fung et al teaches history and track record of importance (p 4, para 4).

It would have been obvious to one with ordinary skill in the art to include rebalancing the portfolio periodically because Fung et al teaches rebalancing important (p 3, lines 6).

6. Claims 12-13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Alcala et al in view of Fung et al as applied to claims above, and further in view of Baughman et al.

Alcala et al and Fung et al do not disclose capital allocations recited in claims 12 and 13.

Baughman et al discloses capital allocations (para 0030, 0046).

It would have been obvious to one with ordinary skill in the art to include capital allocations recited in claims 12 and 13 because asset allocation is important to risk factors (para 0030, 0046).

7. Claims 16, 32, and 48 are rejected under 35 U.S.C. 103(a) as being unpatentable over Alcala et al in view of Fung et al as applied to claims above, and further in view of Chai et al.

Alcaly et al and Fung et al do not disclose storing data in a database according to object role modeling.

Chai et al discloses storing data in a database according to object role modeling (col 2, lines 16-33).

It would have been obvious to one with ordinary skill in the art to include storing data in a database according to object role modeling because Chai et al teaches such database utilization favorable to queries (col 2, lines 16-33).

### ***Conclusion***

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Alain L. Bashore whose telephone number is 703-308-1884. The examiner can normally be reached on about 7:00 am to 4:30 pm (Monday thru Thursday).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on 703-308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.



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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Alain L. Bashore  
Primary Examiner  
Art Unit 3624